GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3964
ANSWERED ON:22.03.2001
IOCL EQUITY IN HPCL SPONSORED MANGALORE-BANGALORE PIPELINE
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indian Oil Corporation Limited has sought 26 per cent equity in the Hindustan Petro Chemical Limited sponsored Mangalore-Bangalore pipeline;

(b) if so, the details of special incentive for Indian Oil Corporation Limited in seeking this equity;

(c) whether Indian Oil Corporation Limited has sufficient funds for the investment purpose; and

(d) if so, the surplus funds available with the Indian Oil Corporation Limited with various Banks and financial institutions as on date?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d) Indian Oil Corporation Limited(IOCL) had conveyed their interest for picking up 26 percent equity in Petronet MHB Limited, a joint venture company promoted by Hindustan Petroleum Corporation Limited and Petronet India Limited (PIL) for construction and operation of Mangalore-Hassan-Bangalore Pipeline.

IOCL being in the business of refineries, pipelines & marketing and having 50.6 percent market share in Southern Region, it is considered beneficial to IOCL to have the equity in this pipeline.

PIL Board however, did not approve participation of IOCL in Petronet MHB Limited.